

**LICENSING AND RENEWAL
PROCEDURES FOR
VIATICAL
SETTLEMENT BROKERS**

April 2010

Who needs to be licensed as a Viatical Settlement Broker?

"Viatical Settlement Broker" means any person who, for another and for a fee, commission or other valuable consideration, offers or advertises the availability of viatical settlements, introduces viators to viatical settlement providers, or offers or attempts to negotiate viatical settlements between a viator and one or more viatical settlement providers. "Viatical Settlement Broker" does not include an attorney, accountant or financial planner who is not paid by the viatical settlement provider or viatical settlement purchaser and who is retained to represent the viator. Persons offering life settlements must be licensed as a Viatical Settlement Broker.

No person shall act as a viatical settlement broker, or solicit a viatical settlement contract or life settlement contract while acting as a viatical settlement broker, on or after January 1, 1998, without first obtaining a license from the Bureau of Insurance.

References: Chapter 71, Rules Governing Viatical Settlement Providers and Viatical Settlement Brokers at <http://leg1.state.va.us/000/reg/TOC14005.HTM#C0071>.

Virginia Code § 38.2-1865.1 through 38.2-1865.6 at <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC380200000180000000000000>.

How does an individual apply for a Viatical Settlement Broker License?

- Individual applicants must be at least 18 years of age.
- Apply online at <http://scc.virginia.gov/division/boi/webpages/boiproducer.htm>.
- **Virginia resident applicants** must fax a current Criminal History Record Report to 804-371-9290. A criminal history record report must be obtained from the Virginia State Police. You may contact them at 804-674-2000 or you may download the form (SP-167) from its website, <http://www.vsp.state.va.us/>. If you fail to provide a current (no more than 90 days old) criminal history record report, the Bureau will REFUSE to issue a license to you.
- **Resident and Nonresident Applicants** that have been convicted of (or pled guilty or nolo contendere to) a violation of law, other than a minor traffic violation, must provide:
 - a) a written statement explaining the circumstances of each incident;
 - b) a copy of the charging document;
 - c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment;
 - d) if applicable, a letter from the federal or state probation and parole office outlining your performance or satisfactory completion of your probationary period;
 - e) if applicable, a letter from your current or prospective employer if engaged in the business of insurance;
 - f) your employment history since your conviction and a copy of any civil rights restoration; and
 - g) if a nonresident agent, a copy of the 1033 waiver from your home state.

- **Letters of Certification** are no longer required for the issuance of a nonresident individual license provided that the applicant's state of residence is a participant of the NAIC's Producer Data Base (PDB). If the state of residence does not participate in the PDB, a letter of certification is required. Nonresident licenses will be verified via an electronic verification process through the PDB prior to the issuance of the license.
- Effective March 15, 2010, the Bureau of Insurance no longer mails licenses. Administrative Letter 2010-02 provides instructions for verifying the license has been issued and printing the license online. The Administrative Letter may be reviewed at <http://scc.virginia.gov/division/boi/webpages/boiadminltrsforagents.htm>.

Licensing of Domestic and Foreign Partnerships, Corporations or Limited Liability Companies as a Viatical Settlement Broker

A business entity acting as a Viatical Settlement Broker is required to obtain a Viatical Settlement Broker's license.

- Apply online at <http://scc.virginia.gov/division/boi/webpages/boiproducer.htm>.
- A business entity is not required to first obtain a certificate of authority, including a certificate of registration, certificate of organization, certificate of limited partnership, or charter, from the Commission prior to being eligible to obtain a license as an insurance agent, consultant, surplus lines broker, or viatical settlement broker. **However, the business entity must still obtain the necessary certificate of authority within 90 days of licensure. Failure to obtain that certificate of authority may result in the Bureau of Insurance terminating the producer license.** Contact the Clerk's Office at 804-371-9733 for details.
- **Letters of Certification** are no longer required for the issuance of a nonresident license provided that the applicant's state of domicile/incorporation is a participant of the NAIC's Producer Data Base (PDB). If the state of domicile/incorporation does not participate in the PDB, a letter of certification is required. Nonresident licenses will be verified via an electronic verification process through the PDB prior to the issuance of the license.
- The business entity must have designated a licensed Viatical Settlement Broker as the individual responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia. The DRLP must be licensed and his/her information must have been reported to the PDB prior to applying for a business entity license. A licensed agency may update its firm associations online at scc.virginia.gov/division/boi/webpages/boiproducer.htm.
- Effective March 15, 2010, the Bureau of Insurance no longer mails licenses. Administrative Letter 2010-02 provides instructions for verifying the license has been issued and printing the license online. The Administrative Letter may be reviewed at <http://scc.virginia.gov/division/boi/webpages/boiadminltrsforagents.htm>.

What are the license renewal requirements?

Regardless of the date of issue, the license must be renewed prior to June 30 of each calendar year. The Bureau will mail a renewal notification to the Viatical Settlement Broker in April of each year and the renewal can be submitted online at www.scc.virginia.gov/division/boi/webpages/boiproducer.htm. No matter when the license was issued, it must be renewed prior to June 30. Renewals must be submitted to the Bureau on or before **June 1** of each year in which the license will expire. A criminal history record report is **not** required during the renewal period.

Additional Information

A Viatical Settlement Broker shall not, without the written agreement of the viator obtained before performing any services in connection with a viatical or life settlement, seek or obtain any compensation from the viator.

MISCELLANEOUS

I. Address Changes

Every licensed producer is required by law to notify the Bureau within 30 calendar days of any change of residence. You should change your address online at <http://scc.virginia.gov/division/boi/webpages/boiproducer.htm>. DO NOT USE A COMPANY OR ANY BUSINESS ADDRESS (INCLUDING PO BOX) AS THE INDIVIDUAL PRODUCER'S RESIDENCE OR MAILING ADDRESS.

Any licensed agent or viatical settlement broker who has moved his/her residence from this Commonwealth shall have all licenses terminated by the Commission.

II. Name Changes

Every licensed producer is required by law to notify the Bureau in writing within 30 calendar days of any change of name. These changes can be made by downloading and properly completing the Bureau's Service Request Form (5001) at <http://scc.virginia.gov/division/boi/webpages/boiformsapplications.htm>.

A copy of the marriage certificate, divorce decree, or court order is required. Please include your Virginia License Number or National Producer Number (NPN) with your request. You must sign the request. The Bureau will send you a duplicate license when we have processed your name change.

III. Certifications

Based upon the national initiative for uniformity of state insurance regulation, most states no longer require certification letters. Also, insurance companies may confirm the status of a producer's license on the NAIC's Producer Data Base (PDB), or on the Bureau's website at

<http://scc.virginia.gov/division/boi/webpages/ConsumerInquiry/ProducerSearch.aspx>.

Therefore, certification letters should not be required under most circumstances. However, if you should need a certification letter, you may obtain it online at

www.sircon.com/virginia. You will be able to request and print your own certification letter from this site.

IV. Clearance Letters

Clearance letters must be requested by the viatical settlement broker, and submitted to the Bureau of Insurance on the Service Request (5001) Form. The request must include their Virginia License Number or National Producer Number (NPN), their new residence address, and the state the VSB is moving to. The viatical settlement broker must sign the request. All licenses and appointments will be terminated when the clearance is processed. The form may be downloaded from <http://scc.virginia.gov/division/boi/webpages/boiformsapplications.htm>.

V. Felony Conviction

An agent (resident or nonresident) is required by law to report to the Bureau of Insurance within 30 calendar days the facts and circumstances regarding a conviction of or pleading guilty or nolo contendere to any felony offense.

VI. Administrative Actions

An agent (resident or nonresident) is required by law to report to the Bureau of Insurance within 30 calendar days the final disposition, to include a copy of the order, consent to order, and/or other relevant legal documents, of any administrative action taken against him in another jurisdiction or by another governmental agency. The reporting of administrative actions maybe submitted to the Bureau electronically through the NIPR's Attachment Warehouse – Reporting of Actions at <https://pdb.nipr.com/roa/jsp/roa/roaterms.jsp>.

The above information is not intended to be all-inclusive. If you have any questions or problems not addressed here, please contact the Bureau at bureauofinsurance@scc.virginia.gov or visit our website shown below.

**Bureau of Insurance
Agents Licensing Section
P. O. Box 1157
Richmond, Virginia 23218
804-371-9631
804-371-9290 (Fax)
bureauofinsurance@scc.virginia.gov
www.scc.virginia.gov/division/boi/webpages/boiproducer.htm**